

111TH CONGRESS
1ST SESSION

H. R. 4374

To amend the Internal Revenue Code of 1986 to extend the credit for electricity produced from biomass, to provide credit rate parity under such credit, and to exclude certain unprocessed fuels from the cellulosic biofuel producer credit.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 16, 2009

Ms. HERSETH SANDLIN (for herself and Mr. HERGER) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to extend the credit for electricity produced from biomass, to provide credit rate parity under such credit, and to exclude certain unprocessed fuels from the cellulosic biofuel producer credit.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Renewable Biomass
5 Fairness Act”.

1 **SEC. 2. EXTENSION OF RENEWABLE ENERGY CREDIT.**

2 Each of the following provisions of section 45(d) of
 3 the Internal Revenue Code of 1986 (relating to qualified
 4 facilities) is amended by striking “January 1, 2014” and
 5 inserting “January 1, 2019”:

6 (1) Clauses (i) and (ii) of paragraph (2)(A) (re-
 7 lating to closed-loop biomass facility).

8 (2) Clauses (i)(I) and (ii) of paragraph (3)(A)
 9 (relating to open-loop biomass facility).

10 **SEC. 3. RATE PARITY FOR OPEN-LOOP AND CLOSED-LOOP**
 11 **BIOMASS FACILITIES UNDER THE RENEW-**
 12 **ABLE RESOURCES TAX CREDIT.**

13 (a) IN GENERAL.—Section 45(b)(4)(A) of the Inter-
 14 nal Revenue Code of 1986 (relating to credit rate) is
 15 amended by striking “(3),”.

16 (b) EFFECTIVE DATE.—The amendment made by
 17 this section shall apply to electricity produced and sold
 18 after the date of the enactment of this Act.

19 **SEC. 4. EXTENDED CREDIT PERIOD FOR CERTAIN OPEN-**
 20 **LOOP BIOMASS FACILITIES.**

21 (a) IN GENERAL.—Clause (ii) of section 45(b)(4)(B)
 22 of the Internal Revenue Code of 1986 is amended by strik-
 23 ing “5-year period” and inserting “10-year period”.

24 (b) EFFECTIVE DATE.—The amendment made by
 25 this section shall apply with respect to electricity produced
 26 and sold after December 31, 2009.

1 **SEC. 5. EXCLUSION OF UNPROCESSED FUELS FROM THE**
2 **CELLULOSIC BIOFUEL PRODUCER CREDIT.**

3 (a) IN GENERAL.—Subparagraph (E) of section
4 40(b)(6) of the Internal Revenue Code of 1986 is amended
5 by adding at the end the following new clause:

6 “(iii) EXCLUSION OF UNPROCESSED
7 FUELS.—The term ‘cellulosic biofuel’ shall
8 not include any fuel if—

9 “(I) more than 4 percent of such
10 fuel (determined by weight) is any
11 combination of water and sediment, or

12 “(II) the ash content of such fuel
13 is more than 1 percent (determined by
14 weight).”.

15 (b) EFFECTIVE DATE.—The amendment made by
16 this section shall apply to fuels sold or used after the date
17 of the enactment of this Act.

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